

Message Text

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43

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 NSC-10 RSC-01

CIEP-02 SAL-01 SS-14 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-09 NSAE-00 TRSE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-02 DODE-00 PA-03 USIA-12 PRS-01

ABF-01 FS-01 INRE-00 RSR-01 /168 W
----- 101938

P R 201610 Z MAR 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC PRIORITY 921

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

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PASS TREASURY AND FRB

E. O. 11652: N/ A

TAGS: EFIN NL

SUBJECT: DOLLAR- GUILDER RATE STEADY IN CALM TRADING

1. ON FIRST TWO DAYS AFTER REOPENING OF OFFICIAL FOREIGN EXCHANGE MARKET, DOLLAR- GUILDER RATE HAS REMAINED STEADY AROUND 2.89 LEVEL, CLOSING MARCH 20 AT 2.8920. TRADING HAS BEEN VERY QUIET. FORWARD RATE HAS REMAINED HIGH (SIX MONTH RATE OF 6 PERCENT, ON ANNUAL BASIS),

REFLECTING EFFECTS OF INTRODUCTION OF NEGATIVE INTEREST RATE.

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PREMIUM PAID FOR " O" GULDERS, WHICH ARE REQUIRED BY FOREIGNERS FOR PURCHASE OF DUTCH DEBT SECURITIES, HAS MODERATED TO 3-1/4 PERCENT.

2. IN BRIEF TELEVISION INTERVIEW, CENTRAL BANK PRESIDENT ZIJLSTRA EXPRESSED CONFIDENCE THAT " MONETARY CRISIS IS NOW OVER". " SPECULATION AGAINST DOLLAR THROUGH USE OF EUROPEAN AND JAPANESE CURRENCIES IS NOW SO UNATTRACTIVE THAT THERE IS NO MORE DANGER FROM THIS SOURCE", ZIJLSTRA SAID. HE ALSO PREDICTED THAT INTERNATIONAL TRADE WOULD NOT SUFFER AS A RESULT OF FLOATING.

3. CENTRAL BANK SOURCE TELLS US THAT BANK IS PLEASED WITH CALM BEHAVIOR OF EXCHANGE MARKET THUS FAR AND WITH LOWER GUILDER EXCHANGE RATE, ATTRIBUTING FAVORABLE DEVELOPMENTS IN LARGE PART TO SIZEABLE NEGATIVE INTEREST RATE ON NONRESIDENT ACCOUNTS WHICH WILL GO INTO EFFECT MARCH 26. CENTRAL BANK HAS NOT INTERVENED IN MARKET IN ANY WAY IN PAST TWO DAYS.
MIDDENDORF

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973THEHA01305
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
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US Department of State
EO Systematic Review
30 JUN 2005

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Status: <DBA CORRECTED> srp 971222
Subject: DOLLAR- GUILDER RATE STEADY IN CALM TRADING
TAGS: EFIN, NL
To: EB
SECSTATE WASHDC INFO BERN
BONN
BRUSSELS
MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

